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Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

THIS LEASE AGREEMENT is made this

## PAID UP OIL AND GAS LEASE

(No Surface Use)

\_, 2008, by and between

The Later to Made the	•	
Thomas D. Carver JR. and wife Betty Jean Carver		
whose addresss is 6913 Chippendale Drive, FORT Worth Toxas, 761	34	as Lessor,
and DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Suite 1870 Dallas Texas 75201, as Lessee. All printed portions of	f this lease were p	prepared by the party
hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and L 1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and le	essee. Is exclusively to I	Lessee the following
described land, hereinafter called leased premises:		
_		***
. 176 ACRES OF LAND, MORE OR LESS, BEING LOT(S) 3	, BLOCK	
OUT OF THE Hyde Estate ADDITION, AN	ADDITION TO	O THE CITY OF
TARRANT COUNTY, TEXAS, ACCORDING TO THAT	CERTAIN PLA	AT RECORDED
IN VOLUME 388-2 , PAGE 125 OF THE PLAT RECORDS OF TARRA	NI COUNTY,	, TEXAS.
in the County of Tarrant, State of TEXAS, containing 126 gross acres, more or less (including any interests therein to	which Lessor may	hereafter acquire by
reversion, prescription of otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein including geophysical/seismic operations).	ali nydrocarbon a es helium, carbo	ing non nygrocarbor in dioxide and other
commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accreti	ons and any smal	ill strips or parcels of
land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in considerati Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description or	on of the aforeme f the land so cover	entioned cash bonus red. For the purpose
of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether	er actually more	or less.
The state of the s	Violen from the	e date hereof, and for
2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of 150 (50) as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from		
otherwise maintained in effect nursuant to the provisions hereof.		
3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a separated at Lessee's separator facilities, the royalty shall be Tuckty-five Percent ( 35 %) of such production	, to be delivered a	at Lessee's option to
Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuir	ig right to purchas	se such production a
the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the prevailing price) for production of similar grade and gravity; (b) for gas (including casing head gas) and all other substances	nearest field in w covered hereby.	vnich there is such a the royalty shall be
in Zintu-ti/o torient ( 35 %) of the proceeds realized by Lessee from the sale thereof, less a proport	ionate part of ad	i valorem taxes and
production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar	jas or otner subst r quality in the sar	tances, provided tha me field (or if there is
no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to compara	ble purchase cont	tracts entered into or
the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the prin more wells on the leased premises or lands pooled therewith are capable of either producing oil or gas or other substances covered he	hary term or any ti ereby in naving qu	ime thereafter one o iantities or such wells
are waiting on hydraulic fracture stimulation, but such well or wells are either shut-in or production there from is not being sold by Lesse	e, such well or we	ells shall nevertheless
be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such there from is not being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this lease, such	well or wells are	shut-in or production
Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each annive	ersary of the end o	of said 90-day period
while the well or wells are shut-in or production there from is not being sold by Lessee; provided that if this lease is otherwise being mais being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due	intained by operai	itions, or if production
following cessation of such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the	e amount due, bu	t shall not operate to
terminate this lease.  4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in <u>at lessor's address</u>		
be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may	be made in curren	acy, or by check or by
draft and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamped envelope addressed to the address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or	e depository or to t	the Lessor at the las
payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as di	epository agent to	receive payments.
<ol><li>Except as provided for in Paragraph 3, above, if Lessee drills a well which is incapable of producing in paying quantities (here</li></ol>	einafter called "dry	/ hole") on the leased
premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, is pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherw	vise being mainta	uned in force it sha
nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for other	erwise obtaining or	r restoring production
on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engage.	aged in drilling, re	working or any othe
operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more	of such operations	s are prosecuted with
no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of pro-	ducing in paying (	quantities hereunder
Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill un	nder the same or s	similar circumstance:
to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no co	venant to drill exp	ploratory wells or any
additional wells except as expressly provided herein.		
<ol><li>Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any of depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, who</li></ol>	ienever Lessee de	eems it necessary o
proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respec	ct to such other lai	nds or interests. The
unit formed by such pooling for an oil welt which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage toll horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed	for an oil well or	gas well or horizonta
completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having	j jurisdiction to do	so. For the purpose
of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governme prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with	ı an initial gas-oil r	ratio of 100,000 cubi
feet or more per barrel, based on 24-hour production test conducted under normal producing conditions using standard lease se	eparator facilities	or equivalent testing
equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion intervent; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion intervents.	al in the reservoir	exceeds the vertical
component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit an	nd stating the effect	ctive date of pooling
Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be trea reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion	n of the total unit	production which the
net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such processing the control of the control	proportion of unit	production is sold by
Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring rights hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform	gnt but not the ob to the well spaci	anyation to revise any ing or density patteri
prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made	de by such gover:	nmental authority. I
making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revised premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties		
be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee m	nay terminate the t	unit by filing of record
a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance		

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises, the royalties and shut-in royalties payable hereunder for any part of the leased premises, the royalties and shut-in royalties payable hereunder for any part of the leased premises, the royalties and shut-in royalties payable hereunder for any part of the leased premises, the royalties and shut-in royalties payable hereunder for any part of the leased premises, the royalties and shut-in royalties payable hereunder for any part of the leased premises, the royalties are the royalties and shut-in royalties payable hereunder for any part of the leased premises, the royalties are the royalties and the royalties are the royalties and the royalties are the royalties and the royalties are the royalties ar of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of apparent of the depth of the death of the depth of the hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferree in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of

the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced

in accordance with the net acreage interest retained hereunder.

In excordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regu

Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the tand described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable

there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations.

operations

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and cas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE)

TD CARVER	Betty Jean Carver
<i>77</i> .	py. d v
STATE OF TEXAS	DWLEDGMENT
COUNTY OF TAYNAWAT  This instrument was acknowledged before me on the by: Thomas County Count	Y OF MAY CAPTED, 2008,
KISHA G. PACKER POLK Notary Public, State of Texas My Commission Expires April 16, 2012	Notary Public, State of TEXCS  Notary's name (printed): Notary's commission expires:
STATE OFCOUNTY OF	
This instrument was acknowledged before me on theda by:	ay of, 2008,



## DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

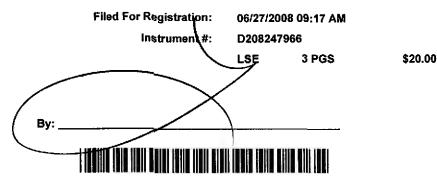
DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

## SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## <u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



D208247966

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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